

**24-1 PROBLEM****Journalizing and posting entries for accrued interest revenue and expense****1.**

Drake Company																	
Work Sheet																	
For Year Ended December 31, 20X1																	
		1				2				3				4			
ACCOUNT TITLE		TRIAL BALANCE				ADJUSTMENTS											
		DEBIT		CREDIT		DEBIT		CREDIT									
6	Interest Receivable							(a)	1	8	90						
15	Interest Payable											(h)	3	7	50		
60	Interest Income					1	8	9	7	00				(a)	1	8	90
50	Interest Expense			2	4	5	8	00				(h)	3	7	50		

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT				
	<i>Adjusting Entries</i>								
<sup>20X1</sup> Dec. 31	Interest Receivable		1120	1 8 90					
	Interest Income		7110		1 8 90				
31	Interest Expense		8105	3 7 50					
	Interest Payable		2110		3 7 50				
	<i>Closing Entries</i>								
<sup>20X1</sup> Dec. 31	Interest Income		7110	1 9 1 5 90					
	Income Summary		3120		1 9 1 5 90				
31	Income Summary		3120	2 4 9 5 50					
	Interest Expense		8105		2 4 9 5 50				

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT				
	<i>Reversing Entries</i>								
<sup>20X2</sup> Jan. 1	Interest Income		7110	1 8 90					
	Interest Receivable		1120		1 8 90				
1	Interest Payable		2110	3 7 50					
	Interest Expense		8105		3 7 50				

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[illegible]

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[illegible]

**24-1 PROBLEM (continued)****2., 3., 4., 5., 6.****GENERAL LEDGER**

ACCOUNT Notes Receivable					ACCOUNT NO. 1115				
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE				
					DEBIT	CREDIT			
Nov. 19		G14	90 000		90 000				
<sup>20X2</sup> Feb. 17		CR13		90 000					

ACCOUNT Interest Receivable					ACCOUNT NO. 1120				
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE				
					DEBIT	CREDIT			
<sup>20X1</sup> Dec. 31		G15	18 90		18 90				
<sup>20X2</sup> Jan. 1		G16		18 90					

ACCOUNT Notes Payable					ACCOUNT NO. 2105				
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE				
					DEBIT	CREDIT			
Dec. 6		CR12		450 000			450 000		
<sup>20X2</sup> Apr. 5		CP18	450 000						

ACCOUNT Interest Payable					ACCOUNT NO. 2110				
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE				
					DEBIT	CREDIT			
<sup>20X1</sup> Dec. 31		G15		37 50			37 50		
<sup>20X2</sup> Jan. 1		G16	37 50						

**24-1 PROBLEM (concluded)****2., 3., 4., 5., 6.****GENERAL LEDGER**

ACCOUNT Income Summary

ACCOUNT NO. 3120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
<sup>20X1</sup> Dec. 31		G15		1 9 1 5 90		1 9 1 5 90
31		G15	2 4 9 5 50		5 7 9 60	

ACCOUNT Interest Income

ACCOUNT NO. 7110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Dec. 31		CR12		8 5 00		1 8 9 7 00
31		G15		1 8 90		1 9 1 5 90
31		G15	1 9 1 5 90			
<sup>20X2</sup> Jan. 1		G16	1 8 90		1 8 90	
Feb. 17		CR13		4 0 50		2 1 60

ACCOUNT Interest Expense

ACCOUNT NO. 8105

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Dec. 31		CP12	1 0 0 00		2 4 5 8 00	
31		G15	3 7 50		2 4 9 5 50	
31		G15		2 4 9 5 50		
<sup>20X2</sup> Jan. 1		G16		3 7 50		3 7 50
Apr. 5		CP18	1 8 0 00		1 4 2 50	